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RUEHGZ/AMCONSUL GUANGZHOU 8766
RUEHHK/AMCONSUL HONG KONG 5575
RUESLE/AMCONSUL SHANGHAI 8165
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RUEKJCS/SECDEF WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 05 TAIPEI 004941

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SUBJECT: TAIWAN'S DEMOCRACY CAPACITY BUILDING: A FOREIGN
PUBLIC DIPLOMACY TOOL

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[1](#)B. TAIPEI 4292

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Classified By: AIT Director Douglas Paal, Reason(s): 1.4 (B/D)

[1](#)1. (C) Summary: Taiwan is increasingly active in providing humanitarian assistance through government and NGO institutions to countries around the world. In addition, Taiwan is trying to convert its own recent democratization achievements to assist other countries with democracy building, particularly in Central America and the Asia-Pacific region. As Taiwan continues to lose diplomatic ties and come to terms with a rising China, it sees these programs as strategic avenues to preserve existing diplomatic relations, build unofficial ties with friendly countries, and gain recognition and more diplomatic space in the international community. End Summary.

[1](#)2. (U) Following are the main conduits for Taiwan foreign assistance:

ICDF: A Major Force in Humanitarian and People Diplomacy

[1](#)3. (C) The International Cooperation and Development Fund (ICDF) is Taiwan's most important international development organization. Modeled on USAID (see Ref A), ICDF receives 70 percent of its funds from the Ministry of Foreign Affairs (MOFA). With an annual overall budget of US\$1.5 billion, ICDF promotes international cooperation bilaterally and multilaterally in the following areas: (1) technical cooperation (including technical missions and overseas service opportunities); (2) investment and lending opportunities (including credit guarantees); (3) education and training projects (including scholarship programs and workshops); and (4) international humanitarian assistance (including natural disasters and medical relief). ICDF currently supports 38 technical missions in 32 countries in Central and South America, the Caribbean, Asia, and the Middle East.

14. (U) ICDF Secretary General Chen Cheng-chung told AIT that Taiwan can assist the world in many areas but highlighted the three areas on which ICDF focuses: agriculture (especially tropical agriculture technologies), small and medium enterprise development (given Taiwan's own successes in this area), and ICT (information and communication technology). As part of President Chen's emphasis on "people diplomacy," the ICDF's Overseas Volunteer Program and Youth Overseas Program (an alternative to military service modeled on the U.S. Peace Corps) continues to expand. ICDF collaborates with Taiwan NGOs on a number of foreign assistance projects, including a Taiwan Fund for Children and Families project in Guatemala, a Taiwan-Tibet Exchange Foundation project with Tibetan refugees in India, a Taiwan Dental Association oral hygiene project in Mongolia, an ORBIS Taiwan medical project in Burma, and a project with The Asia Foundation in Taiwan (TAFT) on technical assistance in Mongolia. Chen explained that he is trying to develop ICDF into a government organization similar to USAID, and that he hopes to increase cooperation with both the Japan International Cooperation Agency (JICA) and with the U.S. on humanitarian assistance projects.

15. (C) Secretary General Chen told AIT that ICDF's technical assistance programs are particularly complicated because official agreements must be signed between Taiwan and partner countries. For this reason, most of Taiwan's projects to date have been concentrated in Central America where Taiwan has a number of diplomatic partners. Chen explained that ICDF's greatest challenge is dealing with China's pressure on ICDF partner countries, particularly on technical missions. As a case in point, ICDF Director of Policy and Planning Chou Yen-shin told AIT that PRC pressure had prevailed upon Pakistan to reject ICDF's offer of humanitarian assistance following its devastating earthquake.

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16. (C) Chen insisted that ICDF assistance is not "politically motivated" and vowed to continue in the face of PRC challenges. Prior to 1999, he explained, all of the Taiwan government's development assistance was directed toward its diplomatic allies. This began to change in 1999, when Taiwan sent humanitarian assistance to Kosovan refugees in collaboration with the international Christian aid organization World Vision. The success of this collaboration prompted MOFA to establish an NGO Committee in 2000 to coordinate working with NGOs.

MOFA: Working Through NGOs

17. (C) After the devastating South Asia tsunami, the Taiwan government pledged \$US 50 million (public and private sectors contributed another \$US 100 million) in donations and over 300 tons of relief supplies. The government gave cash donations to Indonesia (\$US 100,000), Thailand, India, Sri Lanka (\$US 50,000), and Malaysia (\$US 30,000). Over 70 government officials were dispatched to provide disaster and medical relief while the local NGO community sent another 400 people. MOFA also collaborates with international NGOs to provide aid to Iraq. Since 2003, Taiwan has been providing educational training and humanitarian assistance to Iraq in cooperation with the international NGO, Mercy Corps. MOFA Research and Planning Committee Executive Secretary Owen Hsieh told AIT that MOFA funded a US\$400,000 project called "IT Action in Iraq" to establish internet centers in Northern Iraq and provide students and teachers with IT training. In addition, MOFA raised US\$ 1 million for Mercy Corps, "Community Action Initiative" and, in partnership with Taiwan's Ministry of Education, is rebuilding damaged schools and providing scholarships for Iraqi students to come to Taiwan. Hsieh told AIT that the MOFA-NGO collaboration worked well and hoped this could be a model for future

humanitarian assistance projects.

18. (U) In 2002, MOFA started providing subsidies to NGOs operating abroad in the following areas: democracy, human rights and peace; humanitarian assistance and medical treatment; women, children and social welfare; and environmental protection. MOFA also funds international NGO conferences in Taiwan and sponsors NGO personnel to pursue training with international NGOs, last year funding more than 500 projects in these two areas. The major Taiwan humanitarian assistance NGOs with which MOFA works are: Tzu Chi Foundation (a Buddhist organization with branches in 28 countries), Buddha's Light International Organization, World Vision, Taiwan Root Medical Peace Corps, and the Noordhoff Craniofacial Foundation (NCF). In addition, international NGOs ORBIS, International Association for Volunteer Effort (IAVE) and Transparency International have established branches in Taiwan.

TFD: Focus on Democracy Assistance

19. (C) MOFA Vice Chair for Research and Planning Dr. Yan Jiann-fa told AIT that most of Taiwan's democracy assistance work goes through the Taiwan Foundation for Democracy (TFD). TFD, an independent organization created in 2003 by the Legislative Yuan (LY), is Asia's first democracy assistance foundation committed to democracy and human rights in Taiwan and abroad. Since it is the first organization of its kind, TFD, with its relatively small staff of 12, has become a major force in Taiwan's democracy assistance programs abroad. Although TFD's literature indicates it is a non-partisan, non-profit organization, MOFA is the major supporter of TFD, although by-laws technically allow the TFD to accept international and domestic donations. TFD Vice President Bajack C. S. Kao told AIT that TFD receives US \$5 million annually in funding from MOFA, a third of which is reserved for Taiwan's political parties to use in supporting their own domestic and international democracy projects.

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10. (C) TFD makes grants to NGOs, international academic institutions and individuals from around the world involved in research and projects on human rights and democracy. TFD also awards fellowships for postdoctoral research, dissertation fellowships and international exchange programs. TFD Director Jou Yi-Cheng told AIT that TFD, which he described as "the Taiwanese version of the National Endowment for Democracy (NED)," maintains a domestic and international division. Domestically, TFD has been concentrating on educating Taiwan civil society on democracy issues. Its international projects include the following:

(1) China/Hong Kong

TFD publishes an annual China Human Rights report and has brought Hong Kong democracy activists to Taiwan for discussions. Recently, TFD hosted a small delegation of Hong Kong activists to observe Taiwan's December 3 local elections, as it did in last year's Legislative Yuan elections. TFD has also assisted in publishing the writings of exiled Chinese dissidents. MOFA's Yan Jiann-fa told AIT that TFD does not actively reach out to Mainland dissidents but when asked, funds their activities. TFD has also produced a 6-part series of radio broadcasts on Taiwan democracy that has been broadcast on Radio Taiwan International (RTI).

(2) World Forum for Democratization in Asia (WFDA)

TFD's largest project is WFDA, an organization of Asian democracy and human rights NGOs, as well as media and academia, to promote democracy in Asia. WFDA activities reflect TFD's emphasis on working more closely with Taiwan's Asian partners. In September 2005, for example, WFDA hosted

a regional conference in Taipei of over 100 international and 300 domestic democracy and human rights activists. According to TFD staff member Echo Lin, WFDA is working to expand its regional network and will send representatives to the 2006 World Movement for Democracy Conference in Istanbul.

(3) Other TFD Projects

The Initiative and Referendum Institute Asia (IRI-Asia) was established to enhance Taiwan's referendum system and to promote studies on the practice of referendums in the Asian region. According to TFD Director Jou Yi-cheng, IRI has twice attempted to bring Mainland Chinese scholars to Taiwan to observe elections but the scholars were delayed and subsequently cancelled due to China's "visa issues" regarding travel to Taiwan. In addition, TFD works with local partners in Burma (refugee issues), Pakistan (exercising civil and political rights) and Indonesia (judicial reform issues in Aceh). In addition, through contacts in Miami, the TFD maintains a small democracy program in Cuba. TFD is working closely with Japan and South Korea to develop their own international democracy organizations which will allow for networking and closer cooperation in the Asian region. Finally, in partnership with the Asian Network for Free Elections (ANFREL), TFD has observed elections in Afghanistan, Thailand, and Sri Lanka, and plans to observe upcoming elections in Singapore.

Taiwan's Democracy Assistance: A Shorter Track Record

¶11. (C) TAFT Program Officer Julie Wang told AIT that because of Taiwan's relatively short experience with democracy, the number of Taiwan NGOs providing democracy assistance are fewer than those providing humanitarian assistance. TFD, she said, is the leading organization working on democratization. Other NGOs working on democracy issues include: The Asia Foundation (TAF), the National Policy Foundation (NPF), the Institute for National Policy Research (INPR, whose main focus is on domestic democracy issues), and Taiwan Thinktank, which organized Taiwan's first International Conference on Deliberative Democracy in August ¶2005. (Comment: NPF is KMT-affiliated, while INPR and

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Taiwan Thinktank are "green"-leaning, i.e., pro-Taiwan independence. End Comment.) In addition, the "deep-green" NGO Taiwan Advocates, established by former President Lee Teng-hui in 2001, holds international democracy conferences.

Ruling DPP: Building International Links

¶12. (C) Democratic Progressive Party (DPP) Deputy Director for International Affairs Hsieh Huai-Hui told AIT that the DPP uses its \$US 16 million allocation from TFD to fund numerous democracy assistance projects. The DPP, a member of the international political party organization Council of Asian Liberals and Democrats (CALD), collaborates with liberal parties including the Democratic Party of Thailand, the Sri Lankan Liberal Party, the Liberal Party of the Philippines and the National Council of the Union of Burma. She explained that the DPP uses TFD funding for many of its programs and for staff training camps and student career development programs. TFD's goal, Hsieh continued, is to become an organization on par with the U.S. National Endowment for Democracy, while the DPP Department of International Affairs' goal hopes to develop into an organization on par with the U.S. National Democratic Institute (NDI), a member of CALD.

¶13. (C) Deputy Director Hsieh told AIT that the DPP is working to enhance its relations with other countries by helping improve their political institutions. While the DPP had been participating in these kinds of democracy activities before coming to power in 2000, she noted, since becoming

active in CALD, the PRC has been pressuring its partners, including Liberal International (LI) in London and Friedrich Naumann Foundation, to cancel trips to Taiwan. When asked what the other Taiwan political parties are doing and which NGOs they are collaborating with, Hsieh frowned and told AIT that the Pan-Blue parties Kuomintang (KMT) and People First Party (PFP), are "doing nothing." The KMT, she said, used some of its TFD allocation to pay for Lien Chan's trip to Mainland China earlier this year, which, she charged, violated TFD funding guidelines.

Opposition KMT: Limited International Reach

¶14. (C) Kuomintang Party (KMT) Director of Overseas and International Affairs, and National Cheng Chi University (NCCU) Professor of Political Science, Ho Szu-yin told AIT that the KMT's International Affairs division receives approximately one-sixth of the total KMT allocation from the Taiwan Foundation for Democracy (TFD). Ho, an advisor to the KMT on international relations since joining the party two years ago, personally represents the party at democracy-oriented international conferences. Ho told AIT that the KMT's democracy assistance programs include four major initiatives:

(1) Funding an annual youth camp in which Taiwan university students from non-political science backgrounds spend time learning about democratic governing principles. Some 80 students attended the camp this year, whose curriculum, designed by Director Ho, included teachings on the American, French, and Canadian democratic systems.

(2) Partially funding a study abroad program to the U.S. Students participating in the youth camp compete to go on a 10-14 day educational tour to Washington, D.C., to learn firsthand about democratic principles. This year, 10 students were chosen to participate in this work trip.

(3) Participating in international conferences, often partially funded by the KMT.

(4) Conducting "Parliamentary Diplomacy" in support of KMT Legislative Yuan members traveling abroad for exchanges with their counterparts around the world.

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TFD and the U.S.: Areas for Cooperation?

¶15. (C) TFD Director Jou Yi-cheng told AIT that TFD would like to cooperate with the U.S. on Hong Kong and North Korea. TFD and U.S. goals for Hong Kong, he argued, were similar. Based on its participation in an NED-sponsored human rights conference in Seoul, he explained, TFD has developed strong connections with South Korean human rights activists, and has been approached by North Korean activists for support. TFD staffer Echo Lin told AIT that TFD believes it can provide a venue for Taiwan support and participation in Global Democracy Forums and would like to be considered as a regional hub for democracy programs under the U.S. Advance Democracy Act (S. 516, H.R. 1133).

Comment

¶16. (C) Taipei is using Taiwan's decades of experience with development assistance as a foreign policy and public diplomacy tool to help enhance Taiwan's international space and ties. Taiwan has much less experience with democracy assistance, but is keenly aware of the example it can provide other countries, particularly in the Asian region. With Taiwan NGOs growing in stature and importance, the Taiwan government has found creative ways to partner with them to assist countries around the world. Taiwan assistance,

however, like most issues in Taiwan, is affected and influenced by politics. Its assistance to Hong Kong democracy activists and PRC dissidents are two of the more obvious examples of how humanitarian and democratization assistance are often tailored to fit Taiwan's diplomatic needs. Mainland China's constant challenge to Taiwan diplomatic and commercial space, moreover, complicates Taiwan's efforts to provide international development and democracy assistance, even as it spurs on these efforts.

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